

- ▶ **maricopa county**
- ▶ **financial and personnel resources**
- ▶ **2nd quarter report**
- ▶ **fy 1999-2000**

maricopa county

**strategies 2000**

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# **maricopa county officials**

## **Board of Supervisors**

**Andrew Kunasek, Chairman**  
**District 3**

**Fulton Brock**  
**District 1**

**Don Stapley**  
**District 2**

**Janice K. Brewer**  
**District 4**

**Mary Rose Garrido Wilcox**  
**District 5**

## **County Administrative Officer**

**David R. Smith**

## **Deputy County Administrator**

**Sandra L. Wilson**

Maricopa County, 301 W. Jefferson, Suite 1070, Phoenix, AZ. 85003  
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# introduction

Accomplishing personnel performance objectives, while increasing the quality of life for employees and citizens alike, requires the successful administration and control of staffing resources. The enclosed 2<sup>nd</sup> Quarter Financial and Personnel Resources Report provides management with the tools necessary to achieve these objectives. Tools used include data, tracking, trending and analysis of key information, which control personal services expenditures and manage funded positions. The Office of Management and Budget (OMB) works with departments to effectively manage position control through automated solutions and department cooperation. OMB ensures full funding for all positions through the Funded Position Policy and the Lump Sum Budgeting Guidelines used in preparation of the annual budget.

Maricopa County's personnel resource strategies focus on the recruitment and retention of productive employees. Crucial elements of these processes include:

- ▶ Compensation, including wages, benefits and employee leave programs.
- ▶ Development of employee relations programs.
- ▶ Ongoing development and maintenance of programs, services, resources, and training to enhance the health, morale, productivity, and organizational knowledge of employees Countywide.

The operational and financial impact of human resources issues, trends, position control, recruitment and staff retention are contained in the following sections included in this report:

- ▶ Summary Findings
- ▶ Personnel Savings
- ▶ Attrition (Turnover Rates)
- ▶ Separations
- ▶ Recruitment Strategies
- ▶ Innovations & Competition

Information concerning departments with small numbers of employees (less than 25) should be used with extreme caution. A change of one or two vacancies, positions or terminations reflects a higher percentage change than those same movements within larger departments. These higher percentage changes may or may not reflect significant issues within these smaller departments.

Any questions you may have regarding this report or the position control process may be addressed to Maricopa County, Office of Management and Budget, 301 West Jefferson, Suite 1070, Phoenix, Arizona 85003. You may also call this office at (602) 506-7280.

# ▶ summary findings

Maricopa County faces many personnel resource challenges as it enters the 21<sup>st</sup> century. The County's central theme continues to focus on attracting and retaining high quality achievers in a fast paced, ever expanding economy. While personnel strategies focus upon broadening the County's commitment to enhance employee value, Maricopa County must continue to find ways to maintain its competitive edge. Attracting highly skilled employees, which currently remains in short demand, and achieving a high level of employee satisfaction requires creative employment solutions.

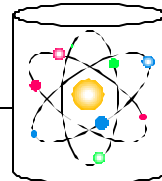
## Employee Motivation, Teamwork & A Common Vision



**MOTIVATING EMPLOYEES**

**WITHOUT CREATING  
COMPETITIVENESS**

**TEAMWORK RESULTS  
COMMON GOALS**



Management's use of creative staffing initiatives, combined with other incentives attracts and retains employees. This may not provide the total remedy to financial and personnel resource issues management intended. The question begs asking, "How do we motivate employees to exceptional performance, as a team with a common vision?" Difficult questions such as these are being addressed, as found in the innovations and competition section of this document.

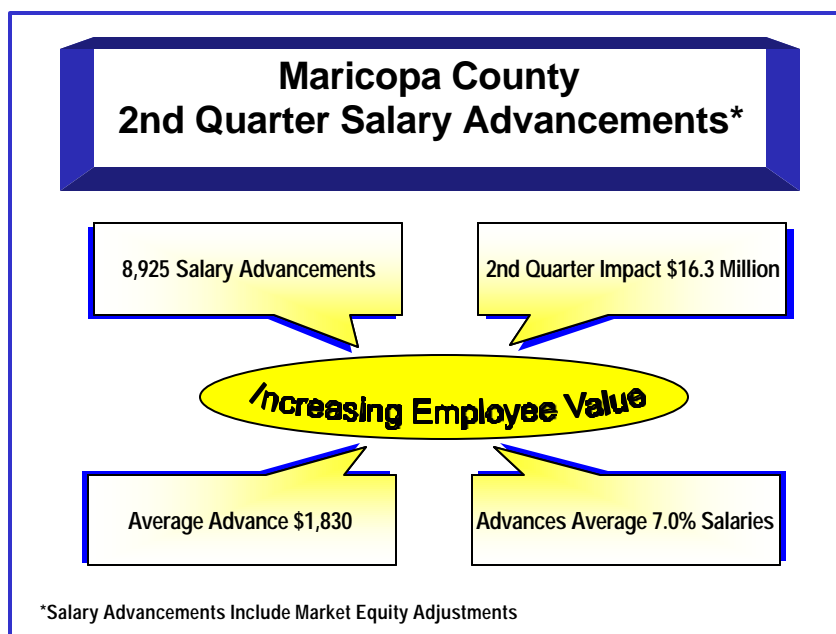
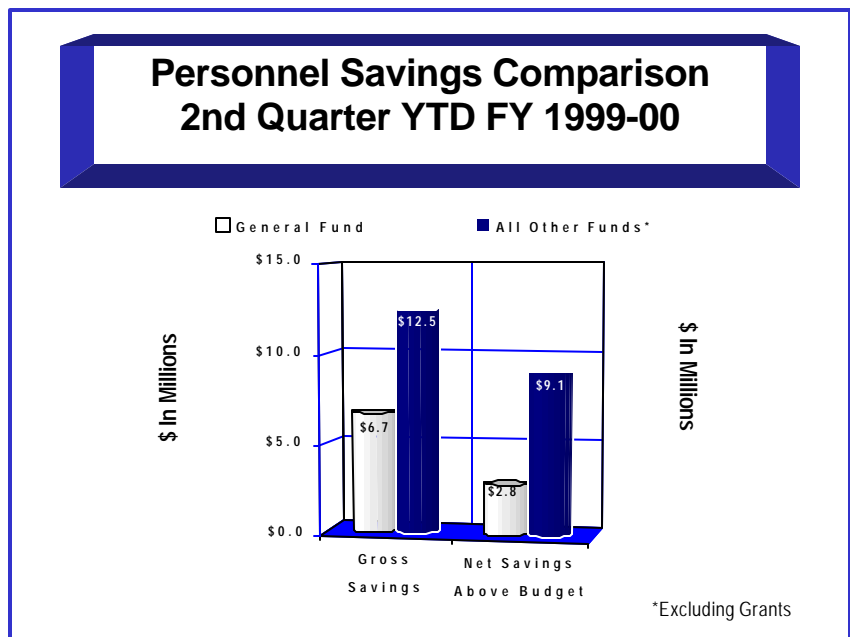
Maricopa County Economic Expansion Percent Change Year-Over-Year						
	FY 96-97	FY 97-98	FY 98-99	FY 99-00	FY 00-01*	FY 01-02*
Employment	-1.0%	4.6%	5.0%	3.3%	2.1%	1.5%
Population	3.7%	3.1%	3.3%	2.7%	2.5%	2.4%

Maricopa County's economy continues to expand, as shown on the table above<sup>1</sup>. Economic growth increases competition in the workplace, which may impact the quality of services provided to its' citizens. Through the involvement of employees in strategic planning, Maricopa County brings into focus those initiatives and goals that inspire exceptional performance without losing team respect.

<sup>1</sup> Source: Elliott D. Pollack & Co. - \*Forecast

Personnel savings are grouped by fund in this document. The General Fund is a general operating fund set-up to account for the resources and uses of general governmental operations of the County. Taxes provide most of these resources. Enterprise funds are accounted for in a method similar to private business enterprise, where user fees are intended to recover expenditures. Special Revenue Funds are restricted to use by statute and local policy. The personnel savings section of this document places emphasis upon *General Fund* personnel savings and *Enterprise Fund* personnel savings which are health care related. These two funds have the greatest impact upon the citizens of Maricopa County. All other sections of this document which make reference to personnel savings include all funds (excluding grants).

The chart at right illustrates Maricopa County's personnel savings for the 2<sup>nd</sup> quarter YTD FY 1999-00. Total gross personnel savings for all funds excluding grants are \$19.2 million. \$6.7 million or 34.9% is in the General Fund and \$12.5 million or 65.1% is in all other funds (excluding grants). Net personnel savings above budget for the 2<sup>nd</sup> quarter totals \$11.9 million (excluding grants). \$2.8 million or 23.5% is in the General Fund and \$9.1 million or 76.5% is in all other funds (excluding grants).

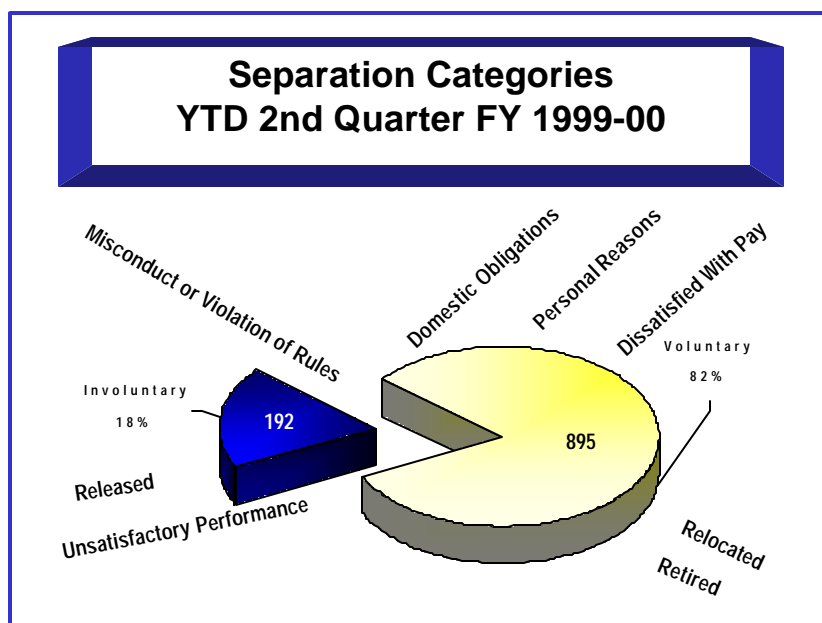


Total 2<sup>nd</sup> quarter *personnel costs* of \$237.9 million include 8,925 salary advances averaging \$1,830 each or 7.0% of total salaries. The year-to-date 2<sup>nd</sup> quarter impact is approximately \$16.3 million.

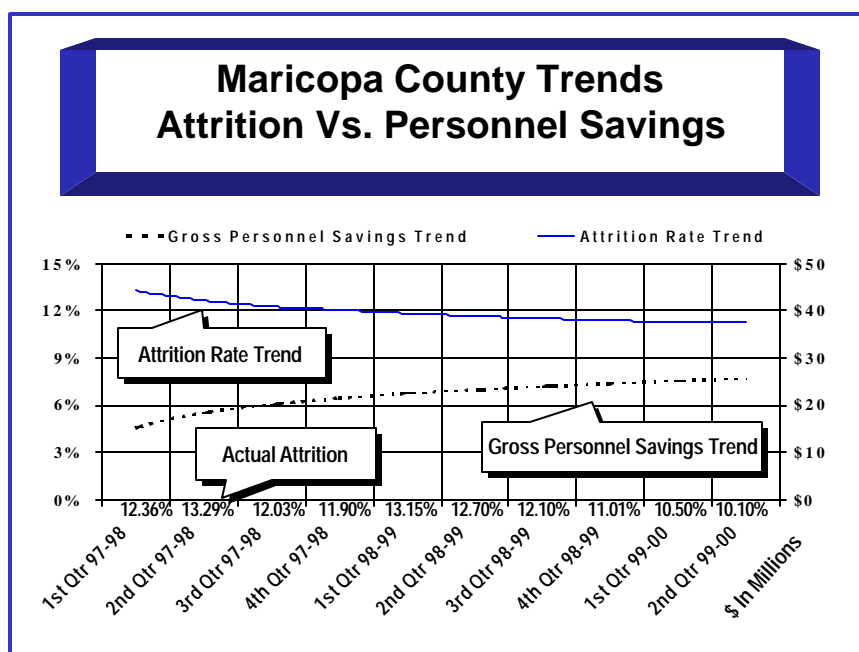
Salary advancements include market equity adjustments and pay for performance, which increase employee value. The Maricopa County Board of Supervisors approved an additional \$17.2 million (for all funds) to be used for market increases during FY 1999-00.

Employee separation reasons provide key employee retention information. Through separations, management is given an opportunity to assess and resolve staffing issues. Separations represent employees leaving the County. They are classified as either voluntary or involuntary as shown on the chart at right.

Year-to-date 2<sup>nd</sup> quarter FY 1999-00 voluntary separations of 895 represent 82% of total separations vs. 18% or 192 of involuntary separations.



The higher the voluntary separations rate the higher the financial and operational impact to County departments. Involuntary separation increases may reflect issues involving personnel training, recruitment or performance. Employee separations also affect personnel savings both directly, by way of vacancy savings, and indirectly, such as through increased employee training costs. Personnel savings result when positions remain vacant, the actual pay of a position's incumbent is lower than budgeted, or when compensation plan funding remains unused. Salary savings may be the result of vacancy savings or unused salary advancement and incentive awards.

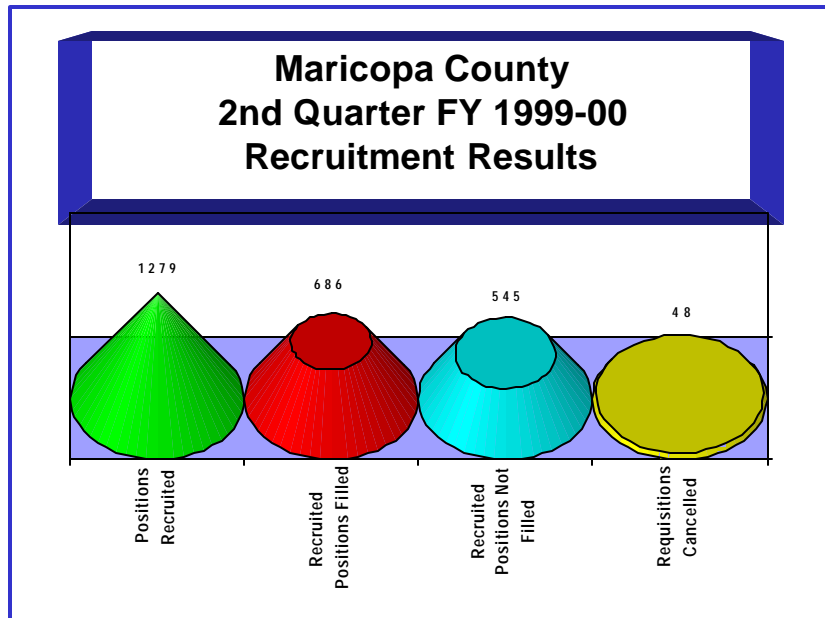
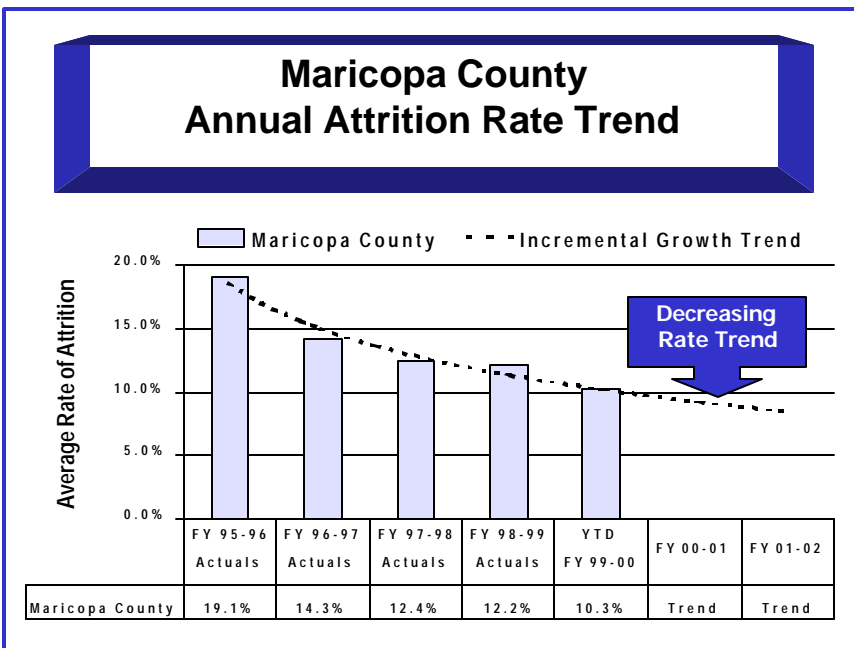


Attrition, as examined over time, appears to impact personnel savings. The chart at left shows a slight decline in attrition over time, while gross personnel savings increase much more steeply over the same period. Viewing high personnel savings growth in conjunction with a slight lowering of attrition rates may be an indication of Maricopa County's success in resolving employee retention issues and improved employee morale.

Successfully meeting organizational demands in a competitive market requires a high level of employee satisfaction. Maricopa County is demonstrating its commitment to increasing employee value by obtaining first hand knowledge of employee needs (through employee satisfaction and exit interview surveys), and acting upon this knowledge. The County continues to shift resources and staffing objectives toward organizational performance by attracting and retaining quality, customer focused employees. The innovations and competition section of this document provides a thorough examination of employee satisfaction and implementation of creative employee programs to meet the ever-changing needs of a diversified employee base.

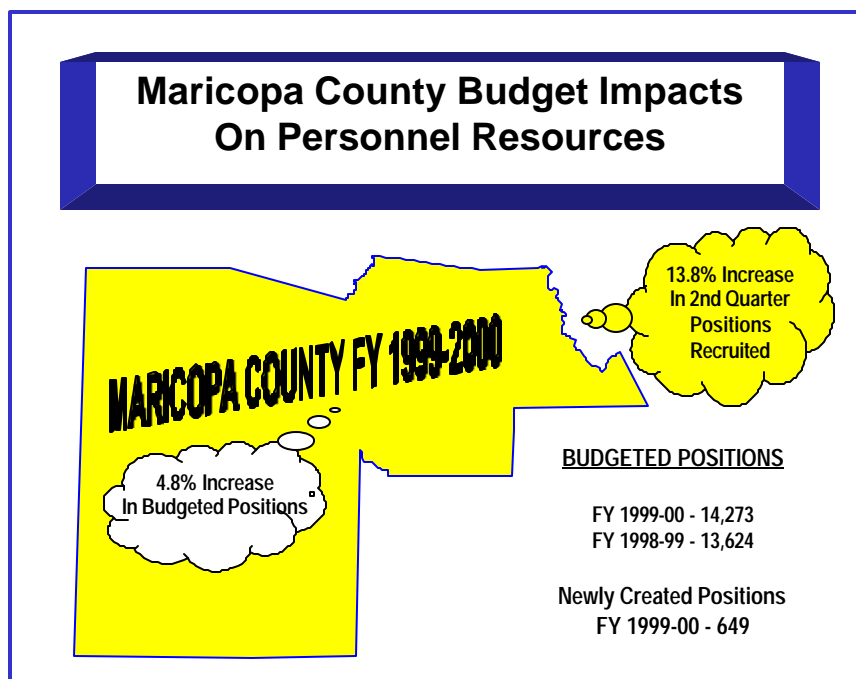
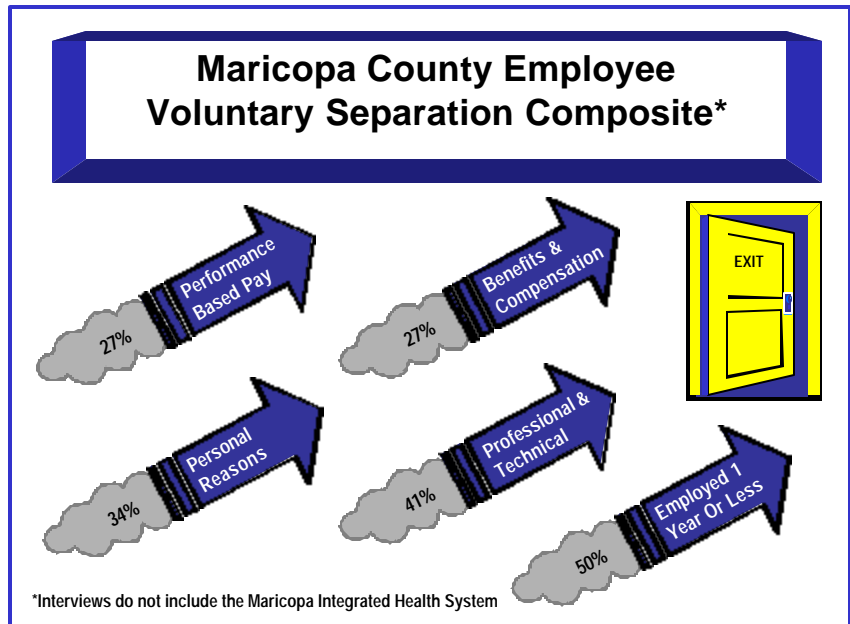
Maricopa County's annual attrition rate trend is shown on the chart at right. The YTD 2<sup>nd</sup> quarter FY 1999-00 attrition rate of 10.3% should be used with caution when comparing to annual rates. Many factors have contributed to the decline in attrition over the past five years. These are outlined in the attrition section of this document.

A major contribution to the reduction of attrition is the movement towards a County culture of accountability. As this process continues, it is expected to affect a continuing decline in attrition, although at a slower rate.



Recruitment results for the 2<sup>nd</sup> quarter of FY 1999-00 are provided on the chart at left. The greater the number of positions actively recruited, the more likelihood that they will be filled.

The results of exit interviews<sup>2</sup> conducted by the Maricopa County Research and Reporting Department during FY 1998-99 are shown at right. Employees voluntarily leaving the County were asked to provide the major reason(s) for their leaving. 27% of those responding left due to a lack of performance-based pay, and benefits and compensation.<sup>3</sup> 41% of those interviewed previously held professional and technical positions, and 50% were employed with the County for one year or less prior to their voluntary separation.



The chart at left addresses the budget impact upon 2<sup>nd</sup> quarter financial and personnel resources. Increases in the number of authorized positions, timing issues related to filing newly created positions, recruitment efforts, and economic impacts such as the current highly competitive job market, affect personnel savings and the County's ability to attract and retain productive employees.

Maricopa County is moving forward to maintain its current competitive edge by offering

diversified employee compensation options, providing a quality work environment, and hiring productive employees with solid core competencies. These strategies support the notion that employees are valuable individuals who deserve to have lives outside of the workplace.

<sup>2</sup> Employees interviewed after leaving County employment.

<sup>3</sup> Personal reasons are not included in this discussion, although shown on the chart, due to the fact that personal reasons are a vague, catch-all category.

# personnel savings

## All Funds (Excluding Grants)

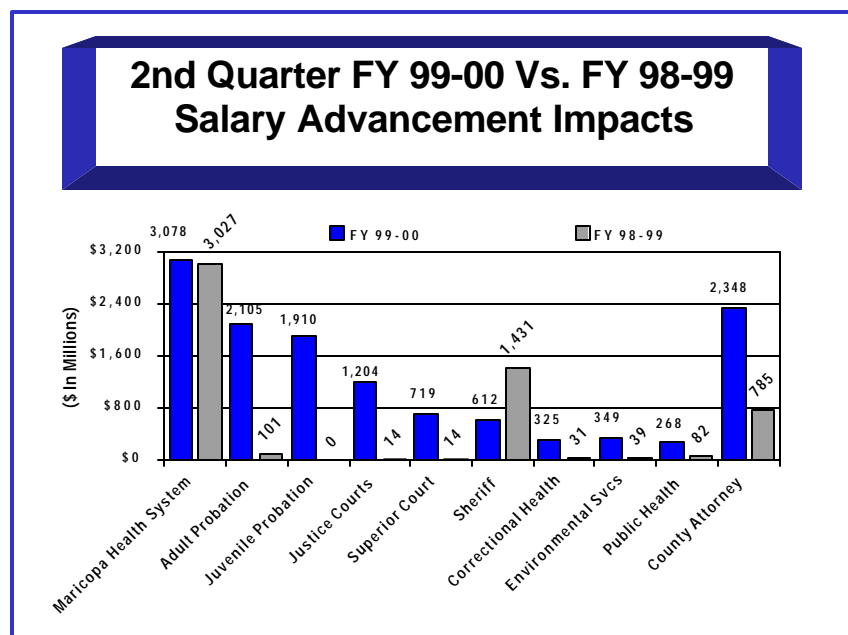
Maricopa County's 2<sup>nd</sup> quarter FY 1999-00 gross actual personnel savings for all funds (excluding grants) total \$19.2 million or 7.5% of total budgeted personnel costs. Net actual savings above budget of \$11.9 million are 163.9% higher than budgeted personnel savings.

MARICOPA COUNTY 2ND QUARTER YEAR-TO-DATE FY 1999-00 PERSONNEL SAVINGS ALL FUNDS EXCLUDING GRANTS						
Total Budget Personnel Costs	Actual Personnel Costs	Gross Actual Personnel Savings	% Gross Actual Savings/ Total Budget	Budgeted Personnel Savings	Net Actual Savings (Above Budget)	% Net Actual Savings/ Budgeted Savings
\$ 257,113,681	\$ 237,911,643	\$ 19,202,038	7.5%	\$ 7,274,048	\$ 11,927,990	163.9%

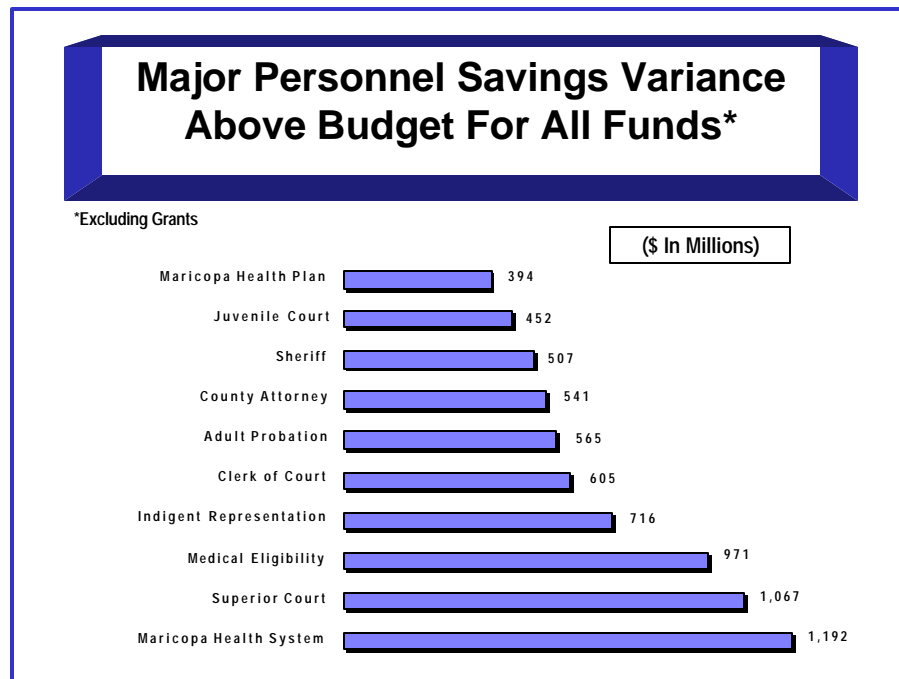
2<sup>nd</sup> quarter FY 1999-00 gross actual personnel savings for all funds (excluding grants) of \$19.2 million are \$2.3 million or 10.7% lower than the gross actual personnel savings for the 2<sup>nd</sup> quarter of FY 1998-99, and \$0.2 million or 0.1% higher than the 2<sup>nd</sup> quarter of FY 1997-98.

Personnel savings result when positions remain vacant, the actual pay of a position's incumbent is lower than budgeted, or when compensation plan funding remains unused. The decline in 2<sup>nd</sup> quarter personnel savings from FY 1998-99 to FY 1999-00 of \$2.3 million is primarily attributed to an increase in newly created positions, an increase in filled positions coupled with a decline in the rate of employee turnover.

Salary advancements during the 2<sup>nd</sup> quarter impact personnel savings due to timing and budget issues. Major salary advancement impacts for the 2<sup>nd</sup> quarter FY 1999-00 from that of the 2<sup>nd</sup> quarter FY 1998-99 are shown at right.



Unused salary advances may be awarded at fiscal year-end in the form of performance incentives, i.e. one-time awards that do not increase an employee's base salary. See the Innovations & Competition section of this document for performance incentive information.



Departments with major personnel savings above that budgeted for all funds, excluding grants, are shown on the chart at left<sup>4</sup>.

## GENERAL FUND

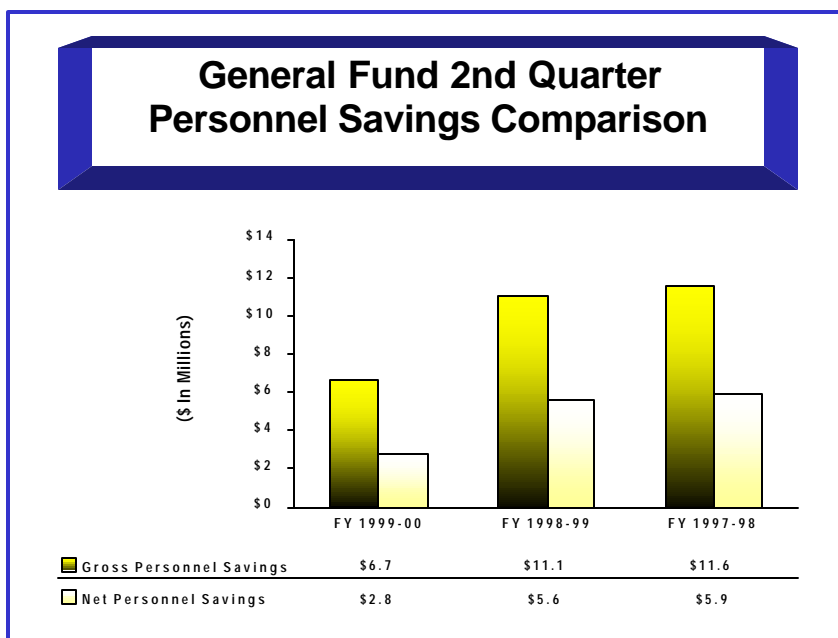
Maricopa County's General Fund 2nd quarter year-to-date FY 1999-00 gross actual personnel savings total \$6.7 million or 5.7% of total budgeted personnel costs. Net actual savings (above what is budgeted) of \$2.8 million represents 70.5% of budgeted personnel savings. The financial data is shown below.

MARICOPA COUNTY 2ND QUARTER YEAR-TO-DATE FY 1999-00 PERSONNEL SAVINGS GENERAL FUND						
Total Budget Personnel Costs	Actual Personnel Costs	Gross Actual Personnel Savings	% Gross Actual Savings/ Total Budget	Budgeted Personnel Savings	Net Actual Savings (Above Budget)	% Net Actual Savings/ Budgeted Savings
\$117,696,896	\$111,014,768	\$6,682,128	5.7%	\$3,920,441	\$2,761,687	70.5%

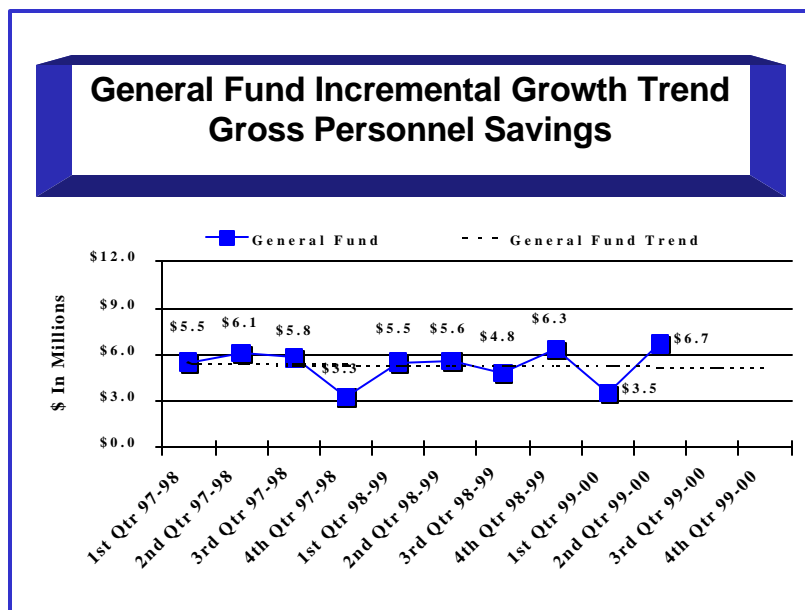
The \$2.8 million in net actual savings (above budget) represents the FY 1999-00 variance to budget. This net actual savings above budget equates to a 2.4% variance to total budgeted expenditures.

<sup>4</sup> Although listed at left, the Maricopa Health System and Maricopa Health Plan do not budget personnel savings.

The chart at right shows General Fund gross personnel savings to net personnel savings for the 2<sup>nd</sup> quarter of FY 1997-98, FY 1998-99, and FY 1999-00. The General Fund 2<sup>nd</sup> quarter FY 1999-00 variances show substantial drops in personnel savings.



As described in the summary section of this document, personnel savings are impacted by newly created positions, lower vacancies, market equity issue resolution, variances to budget in regular, temporary and special pay, increased employee satisfaction, lower turnover, etc.



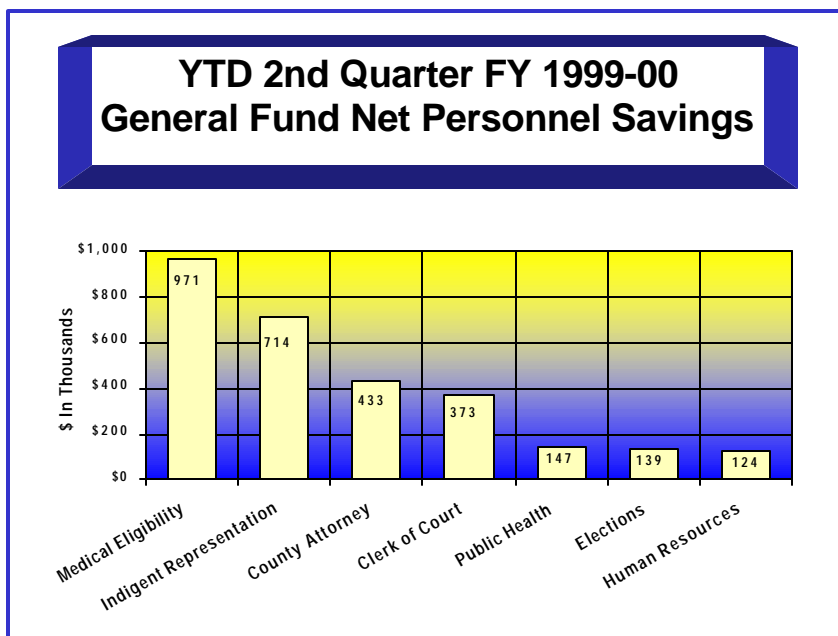
The chart at left compares General Fund gross personnel savings to its incremental growth trend. Gross personnel savings from the 2<sup>nd</sup> quarter FY 1997-98 to the 2<sup>nd</sup> quarter FY 1999-00 shows an overall increase by \$0.6 million, although the quarterly trend decreases slightly. The actual fluctuations in gross personnel savings result from numerous impacts such as increases or decreases in the number of authorized and filled positions, timing issues, and the impact of a highly competitive job market, which drives up the cost of labor.

The table on the following page shows gross personnel savings by individual department for the 2<sup>nd</sup> quarter of FY 1999-00, which excludes General Government.

**GENERAL FUND PERSONNEL SAVINGS YTD 2ND QUARTER FY 99-00**  
**(EXCLUDING GENERAL GOVERNMENT)**

AGCY	AGENCY NAME	GROSS BUDGET PERSONNEL COSTS	ACTUAL PERSONNEL COSTS	GROSS PERSONNEL SAVINGS	BUDGETED PERSONNEL SAVINGS	NET ACTUAL PERSONNEL SAVINGS
10	BOARD OF SUPERVISORS DIST. 1	104,460	99,507	4,953	-	4,953
20	BOARD OF SUPERVISORS DIST. 2	91,977	95,246	(3,269)	-	(3,269)
30	BOARD OF SUPERVISORS DIST. 3	101,031	80,760	20,271	-	20,271
40	BOARD OF SUPERVISORS DIST. 4	94,305	84,441	9,864	-	9,864
50	BOARD OF SUPERVISORS DIST. 5	93,418	106,343	(12,925)	-	(12,925)
60	BOARD OF SUPERVISORS CLERK	163,970	143,914	20,056	-	20,056
110	ADULT PROBATION	4,558,544	4,455,457	103,087	113,359	(10,272)
120	ASSESSOR	5,749,034	5,685,929	63,105	335,257	(272,152)
140	COUNTY CALL CENTER	525,333	467,730	57,603	10,807	46,796
150	EMERGENCY MANAGEMENT	57,141	45,222	11,919	-	11,919
160	CLERK OF SUPERIOR COURT	8,591,053	7,953,476	637,577	264,328	373,249
180	DEPARTMENT OF FINANCE	920,005	781,843	138,162	47,649	90,513
190	COUNTY ATTORNEY	18,349,065	17,297,637	1,051,428	617,891	433,537
200	COUNTY ADMINISTRATION OFFICE	507,329	448,566	58,763	16,763	42,000
210	ELECTIONS	1,197,710	1,051,713	145,997	6,188	139,809
220	HUMAN SERVICES	172,756	110,099	62,657	-	62,657
230	INTERNAL AUDIT	396,027	373,214	22,813	6,228	16,585
240	JUSTICE COURTS	5,282,415	5,402,344	(119,929)	226,716	(346,645)
250	CONSTABLES	693,179	684,868	8,311	-	8,311
270	JUVENILE COURT	4,900,200	4,674,609	225,591	89,056	136,535
280	MEDICAL ELIGIBILITY	4,689,567	3,578,062	1,111,505	140,238	971,267
290	MEDICAL EXAMINER	1,288,904	1,222,337	66,567	76,954	(10,387)
300	RECREATION SERVICES	458,609	497,917	(39,308)	12,694	(52,002)
310	HUMAN RESOURCES	1,229,229	1,077,561	151,668	27,924	123,744
330	INDIGENT REPRESENTATION	11,680,543	10,600,842	1,079,701	365,640	714,061
340	PUBLIC FIDUCIARY	724,008	652,039	71,970	18,940	53,030
350	PLANNING & TRAINING	244,425	210,753	33,672	2,430	31,242
360	RECORDER	655,333	617,449	37,884	28,779	9,105
370	SUPERINTENDENT OF SCHOOLS	630,377	586,668	43,709	-	43,709
380	SUPERIOR COURT	15,419,287	14,922,183	497,104	397,442	99,662
390	HEALTH CARE MANDATES	42,770	33,325	9,445	-	9,445
410	OFFICE OF THE CIO	1,729,664	1,637,445	92,219	67,247	24,972
430	TREASURER	1,248,996	1,137,591	111,405	51,478	59,927
450	JUDICIAL MANDATES	873,885	751,757	122,128	29,356	92,772
490	MANAGEMENT & BUDGET	615,545	512,979	102,566	12,014	90,552
500	SHERIFF	15,495,001	17,216,321	(1,721,320)	683,884	(2,405,204)
700	FACILITIES MANAGEMENT	3,314,077	3,100,871	213,206	147,344	65,862
730	MATERIALS MANAGEMENT	617,488	557,556	59,932	28,318	31,614
790	ANIMAL CONTROL SERVICES	61,942	-	61,942	-	61,942
860	PUBLIC HEALTH	2,021,475	1,785,707	235,768	88,831	146,937
880	ENVIRONMENTAL SERVICES	223,545	214,305	9,240	6,686	2,554
	TOTAL	115,813,622	110,956,586	4,857,036	3,920,441	936,595

General Fund departments showing the largest net personnel savings are reflected on the chart to the right. Net personnel savings refer to personnel savings above that which is budgeted.



## ENTERPRISE FUNDS

### MARICOPA INTEGRATED HEALTH SYSTEM

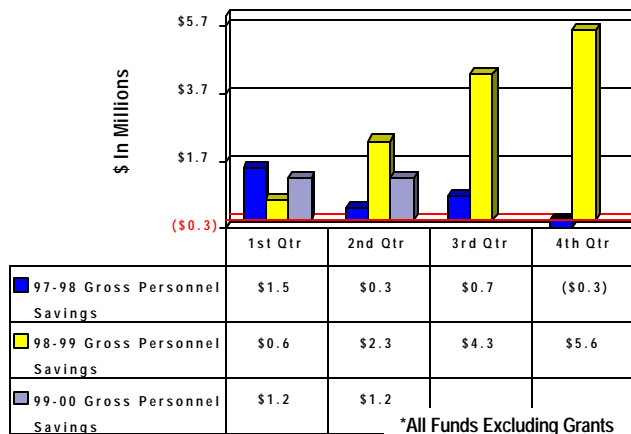
The Maricopa Integrated Health System (MIHS) is composed of both the Maricopa Health System (MHS) and the Maricopa Health Plan (MHP) divisions. Their combined personnel savings year-to-date for the 2<sup>nd</sup> quarter total \$1.6 million or 13.5% of total Countywide net actual personnel savings (all funds except grants). MIHS does not budget personnel savings, or any type of turnover savings. The MIHS utilizes a different financial and personnel resources system than the County for tracking data. Thus, net actual personnel savings for MIHS, and Countywide, is inflated.

### MARICOPA HEALTH SYSTEM

MHS 2<sup>nd</sup> quarter FY 1999-00 gross personnel savings for all funds (excluding grants) shows a 48% increase from the 2<sup>nd</sup> quarter of FY 1998-99 and a 300% increase from the 2<sup>nd</sup> quarter of FY 1997-98. These increases in personnel savings are offset by \$3.2 million spent year-to-date on contract labor, as discussed below.

The changes in 2<sup>nd</sup> quarter gross personnel savings are directly affected by the continued expansion of the local economy. Shortages in skilled labor, affecting staffing and retention require the use of contract labor in order to provide necessary patient services. The 2<sup>nd</sup> quarter FY 1999-00 gross personnel savings remain flat from the 1<sup>st</sup> quarter. 2<sup>nd</sup> Quarter attrition dropped to 13.1% from 13.8%. This is primarily due to a reduction in vacant positions. Compensation inequities continue to be addressed along with attrition issues.

### Maricopa Health System Gross Personnel Savings Comparison\*

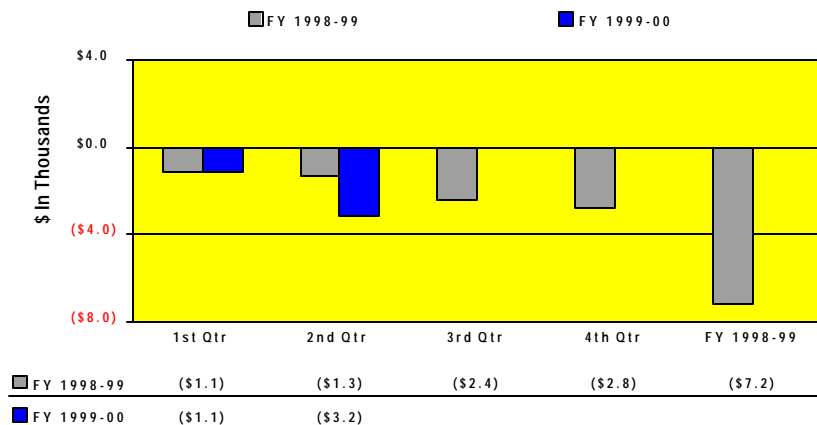


2<sup>nd</sup> Quarter MHS gross personnel savings total \$1.2 million or 2.7% of MHS total budgeted personnel costs. Actual personnel costs year-to-date total \$44.9 million, which include \$38.7 million in salaries and wages and \$6.2 million in benefits. The actual benefit rate for MHS as of December 31, 1999, is 16.0%.

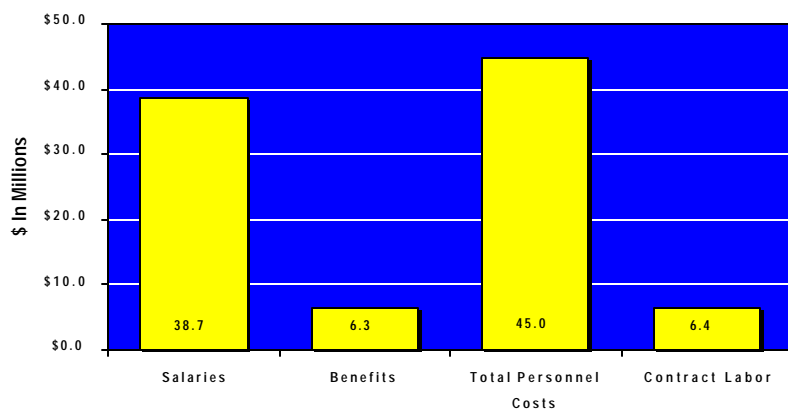
Salary advancements continue to be rolled out to encourage and support employee retention.

A critical shortage of technical and professional staff, mainly related to nursing, adversely impacts MHS. As shown on the chart at right, contract labor increased from the 2<sup>nd</sup> quarter of FY 1998-99 to the 2<sup>nd</sup> quarter of FY 1999-00 by \$1.9 million. Contract labor expenditures increased by \$2.1 million from the 1<sup>st</sup> quarter of the current fiscal year.

### Maricopa Health System Contract Labor Variances



### Maricopa Health System Expenditures Personnel Costs Vs. Contract Labor



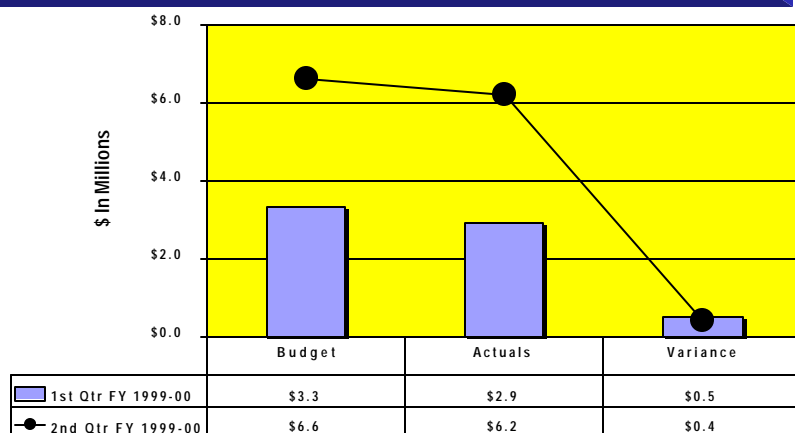
The year-to-date FY 1999-00 2<sup>nd</sup> quarter results of total labor costs to MHS reflect a net unfavorable variance to budget of \$3.0 million. The chart at left shows 2<sup>nd</sup> quarter year-to-date expenditures for personnel costs and contract labor.

Strategies to reverse these unfavorable variances are currently being reviewed in light of the fact that contract labor represents 14.3% of total personnel costs. The MHS Human Resources Division continues its efforts to attract highly qualified productive employees while continuing to reduce attrition. Salary advancements and incentives are currently used in order to meet local competition.

### MARICOPA HEALTH PLAN

MHP's year-to-date 2<sup>nd</sup> quarter FY 1999-00 actual personnel costs total \$6.2 million, with a favorable variance to budget of \$0.4 million or 6.1%. Arizona Long-Term Care Services (ALTCS) member months are behind budget, which drives the mandated case manager positions.

### Maricopa Health Plan Gross Personnel Savings



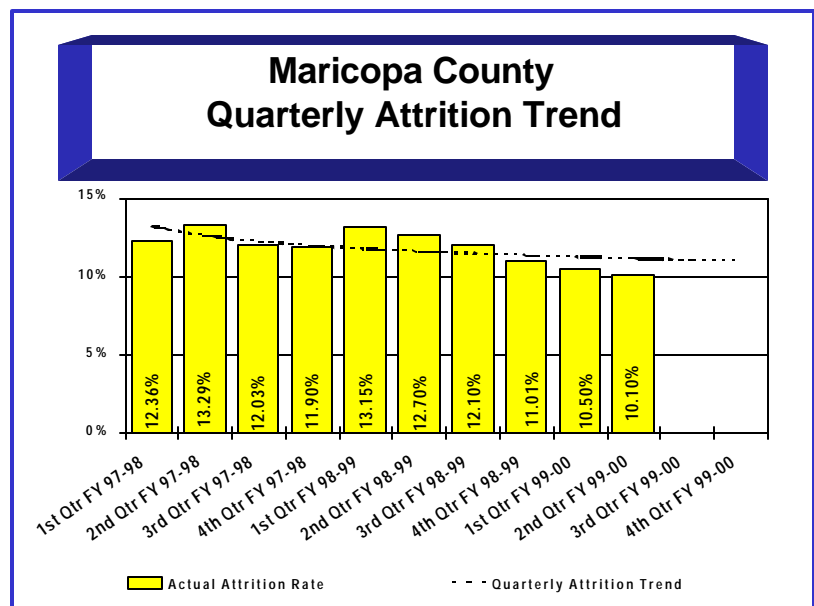
# attrition

Maricopa County's rate of attrition, or turnover, as of December 31, 1999, was 10.1%. This compares favorably to the 2<sup>nd</sup> quarter of FY 1997-98 of 11.9% and 2<sup>nd</sup> quarter of FY 1998-99 of 11.1%. The current average rate of attrition is 0.8 percentage points lower than the FY 1998-99 average rate of 11.1%, in spite of an authorized budget increase of 274 positions Countywide effective July 1, 1999. As seen on the chart below, total authorized positions, including newly created positions, in themselves are not the only criteria for change in attrition rates. Positions remaining vacant also have a primary impact upon attrition.

	TOTAL AUTHORIZED POSITIONS	NUMBER OF NEWLY CREATED POSITIONS	NUMBER OF POSITIONS FILLED	NUMBER OF POSITIONS VACANT	AVERAGE RATE OF ATTRITION
YTD FY 1999-00	14,273	649	12,833	1,440	10.30%
FY 1998-99	13,624	379	12,405	1,542	11.10%
FY 1997-98	13,245	(183)	11,672	1,573	11.90%

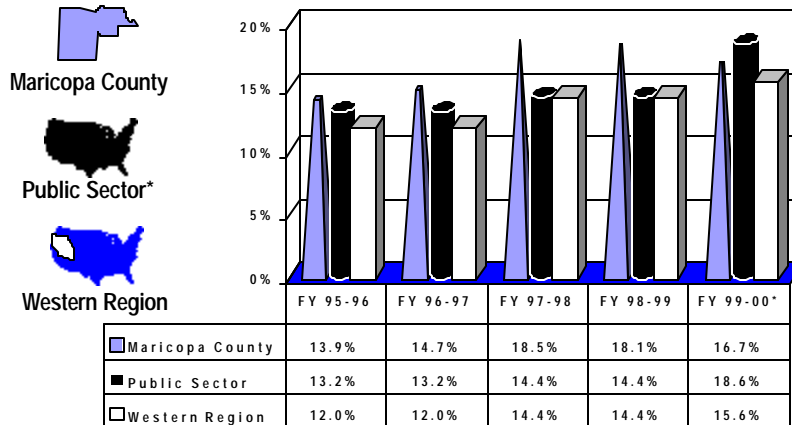
The chart at right provides the actual Maricopa County calculated rates of attrition quarterly over the past two and one-half fiscal years. Also included is a quarterly attrition rate trend, which shows a slowing decrease in attrition through the end of the current fiscal year.

Maricopa County's calculated rate of attrition compares the number of vacant positions to those authorized in the adopted budget. The impacts can be seen in the table above and the chart at right.



There is another methodology for calculating attrition that Maricopa County reports referred to as the Bureau of National Affairs, Inc. (BNA) formula. This formula differs from Maricopa County's calculation in that BNA compares the number of separations to the average number of regular positions filled and annualized versus comparing total authorized positions to vacant positions.

## Bureau Of National Affairs, Inc. Calculation of Attrition



\*BNA Public Sector (includes health care) and Western Region reported as of 9/30/99, Maricopa County Annualized YTD FY 99-00.

According to the BNA December 9, 1999 *Bulletin To Management*, the public sector, including health care, helped push the year-to-date September 1999 turnover average to an 11 year high. Permanent departures in most regions of the United States during 1999 have outpaced levels recorded a year ago.

The chart at left provides the results of applying the Bureau of National Affairs, Inc., (BNA)

attrition formula to Maricopa County in comparison to the BNA provided attrition rates for the public sector and western region of the United States.

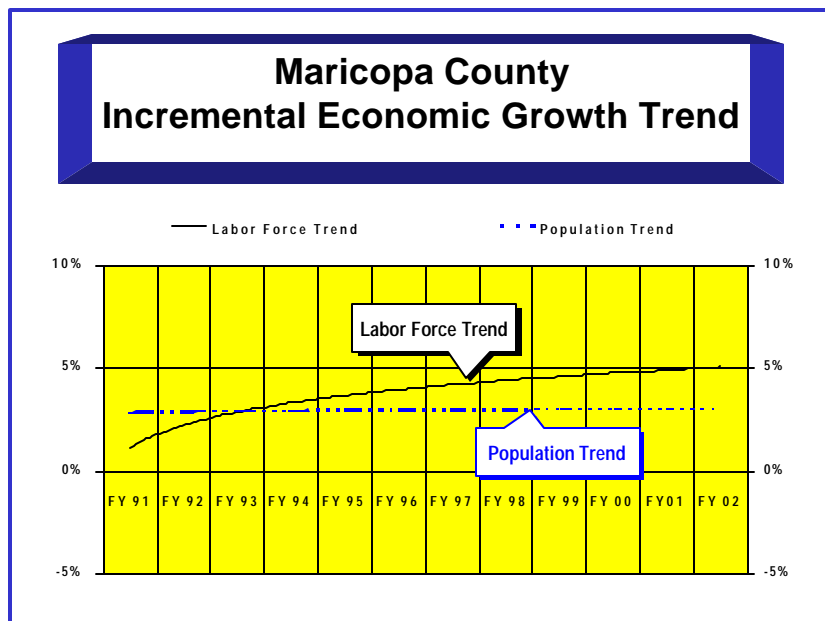
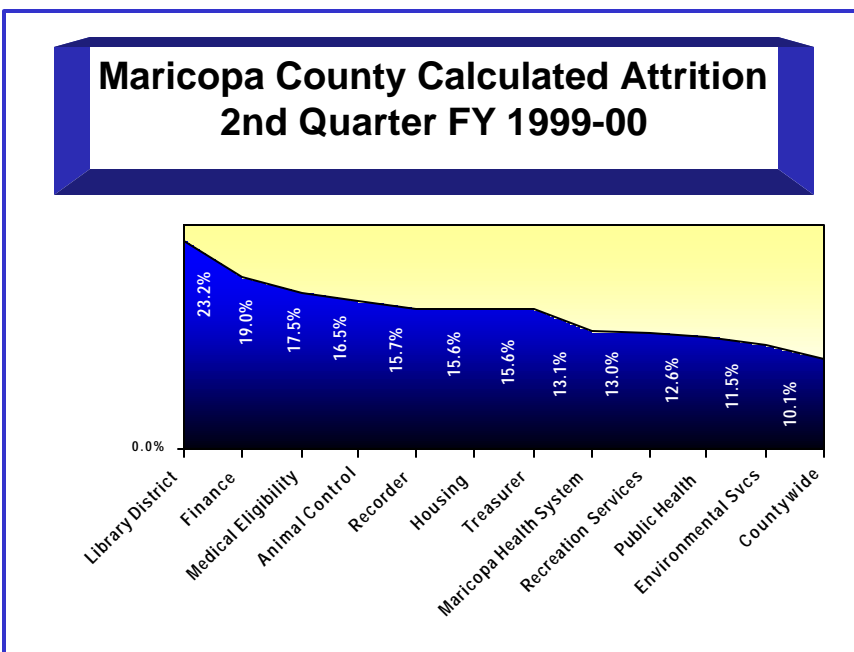
BNA disclosed that high attrition continues as a result of the current booming economy. Turnover rates in general have climbed to their highest levels in almost two decades. According to BNA incremental growth standards, Maricopa County is fairing well when comparing its incremental growth to that of the nation.

MARICOPA COUNTY ATTRITION CALCULATIONS					
	FY 95-96	FY 96-97	FY 97-98	FY 98-99	YTD FY 99-00
<b>BNA Calculation</b>	<b>13.9%</b>	<b>14.7%</b>	<b>18.5%</b>	<b>18.1%</b>	<b>16.7%</b>
<b>Maricopa County Calculation</b>	<b>19.1%</b>	<b>14.3%</b>	<b>12.4%</b>	<b>12.2%</b>	<b>10.3%</b>

The table above provides Maricopa County's annual rates of attrition utilizing both the BNA formula and the Maricopa County formula. Maricopa County's BNA annualized turnover as of December 31, 1999 of 16.7% represents a 1.4% reduction from last fiscal year. The County's formula puts December 31, 1999 attrition at 10.3%, a 1.9% reduction in attrition from last fiscal year. These decreasing rates of attrition are attributed to increases in the number of positions actively recruited and filled combined with reductions in vacant positions, reductions in the number of employee separations, and the Countywide efforts to recruit and retain productive employees.

As of December 31, 1999, 39.5% of all departments with over 25 employees have a turnover rate in excess of the current quarterly rate of 10.1% versus 50% last quarter. This change appears to be the result of the Maricopa Health System adding 229 newly authorized positions during the 2<sup>nd</sup> quarter of FY 1999-00.

Departments with more than 25 employees, showing the highest rates of attrition over the current quarter's rate of 10.1% are shown on the chart at right. Issues are being addressed to reduce the high turnover in these departments.



Maricopa County's incremental population growth has sustained an approximate 3.5% annual expansion versus its labor force growth, which continues to spiral upward. These expansions over the past ten years have adversely affected attrition through the creation of a highly competitive job market. The chart at left bears this out. High employment growth combined with low unemployment drives up the cost of labor, creating labor shortages. By placing a high value on its employees,

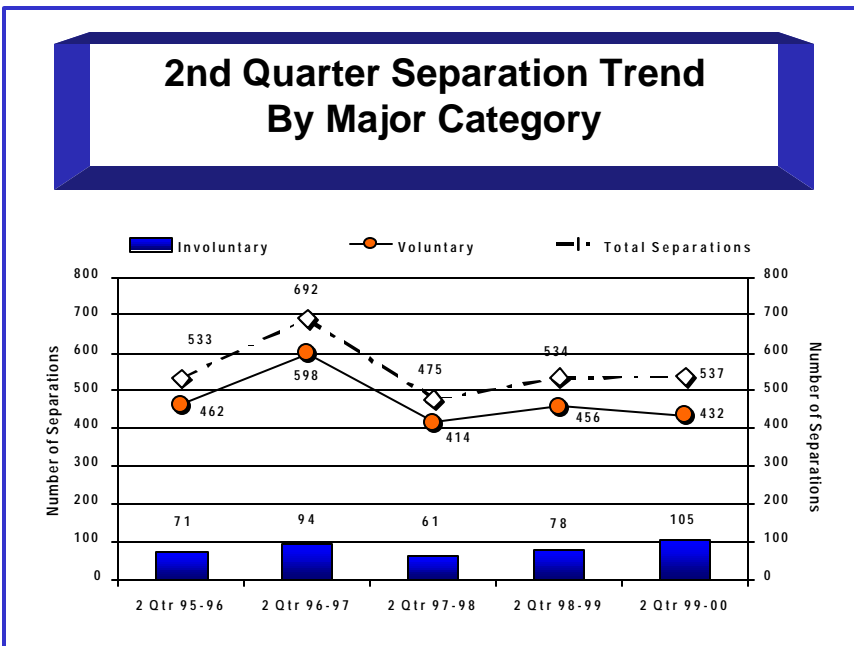
Maricopa County has anted up the stakes in order to attract high-caliber employees while reducing the rate of attrition.

The financial and personnel resources of the County are impacted when labor demands exceed supply. Resourceful recruitment strategies combined with creative employee oriented compensation, benefit and rewards programs, and job satisfaction assist to curb the tide of employee attrition.

# separations

Separations encompass all employees leaving the Maricopa County workforce. Information furnished by separating employees provides management with the tools necessary to assess and resolve outstanding employee issues. The data solicited from separating employees is a critical factor in achieving enhanced employee value while improving the work environment, quality of work generated and customer satisfaction.

Separations are classified as either voluntary or involuntary. Voluntary separations are the key indicator of employee satisfaction. The chart at right shows 2<sup>nd</sup> quarter separation trends over the last five years.



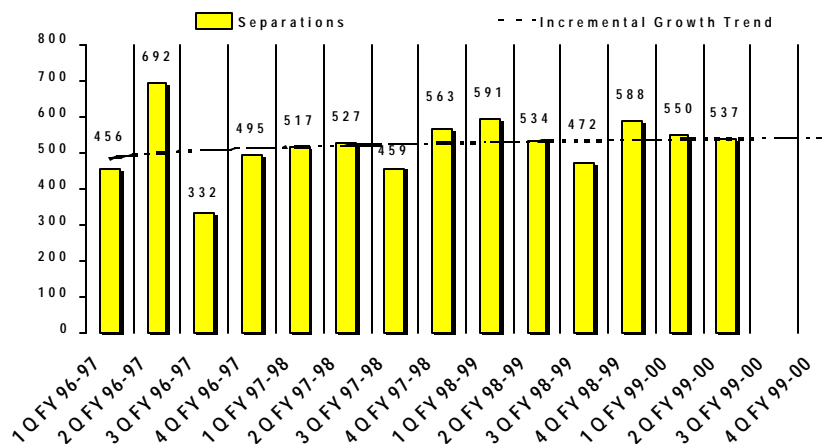
Separations play a major role in identifying employee needs. Voluntary separations number 432 and represent 80.4% of 2<sup>nd</sup> quarter separations versus involuntary separations, which number 105 and represent 19.6% of 2<sup>nd</sup> quarter separations..

Involuntary separations have increased by 5.3% over the 2<sup>nd</sup> quarter of last fiscal year. This increase is primarily due to misconduct or violation of rules and employees released<sup>5</sup>.

Separations impose significant financial and operational impacts to County departments. Examples include lost productivity, increased recruitment activity, additional training time and cost, reductions in the level of customer service, and reduced employee morale due to additional demands placed upon existing employees that assume extra workloads. Emphasis is placed upon voluntary separations due to the substantial impact on attrition, employee morale, and customer service. Also, the higher the voluntary separation rates the higher the financial and operational impact to County departments.

<sup>5</sup> Employees released refer to involuntary leave while on initial probation or involuntary leave from Unclassified status.

### Maricopa County Quarterly Separation Trend

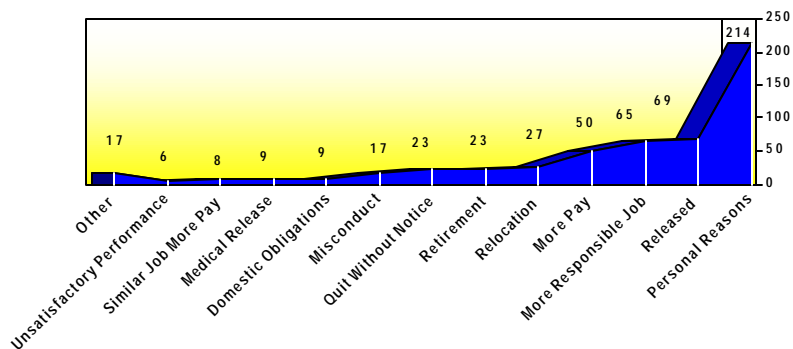


The chart at left shows quarterly separations including an incremental growth trendline. The incremental growth trend in separations appears to be leveling out. Economic expansion has increased competition in the local labor market, which tends to negatively affect the County's ability to retain employees. The quarterly separation trendline belies what is happening in the economy. It appears that Maricopa County's press to retain employees has

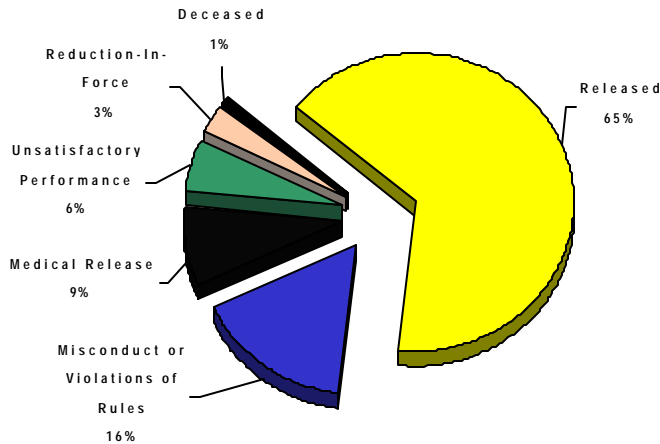
offset the affect of current economic conditions through employee retention strategies.

2<sup>nd</sup> quarter separations total 537. As shown on the chart at right, personal reasons dominate the field at 214 separations. Personal reasons continue to remain a critical issue regarding separations. This catchall area does not allow management an understanding of the separation issues that exist. Hence, 37% of all separations go unclassified. Over time, this issue is expected to lessen due to the Exit Interview program results. The remaining separations are self-evident.

### Major Separations By Category 2nd Quarter FY 1999-00



### 2nd Quarter FY 1999-00 Involuntary Separations



Involuntary separations occurring during the 2<sup>nd</sup> quarter are provided at left. The largest category, released, is the area most affected through the hiring process. Employees are released during their initial probation period with the County. Hiring issues, which are described in more detail under the recruitment strategies section of this document, combined with performance issues, poor job matches or changes in administration often lead to employees being released.

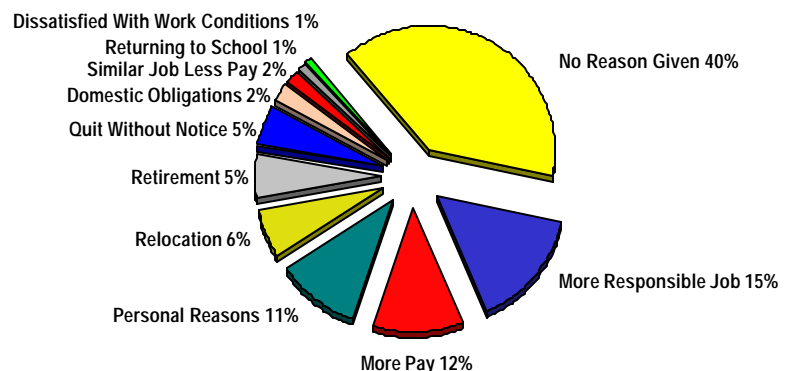
The remaining involuntary separations are self-explanatory and represent misconduct or violation of rules, excessive unexcused absences, reductions-in-force, deceased and unsatisfactory performance.

INVOLUNTARY SEPARATIONS					
	FY 95-96	FY 96-97	FY 97-98	FY 98-99	FY 99-00
1 <sup>st</sup> Quarter	48	84	77	63	87
2 <sup>nd</sup> Quarter	71	94	61	78	105

Involuntary separations during the 1<sup>st</sup> and 2<sup>nd</sup> quarter of the last 5 years are provided on the chart above. Although the numbers appear erratic, the actual involuntary separation trend remains flat, as demonstrated on the prior page. This trend may indicate that County management may be doing a better job at performance management and more attentive to addressing performance issues more quickly and decisively.

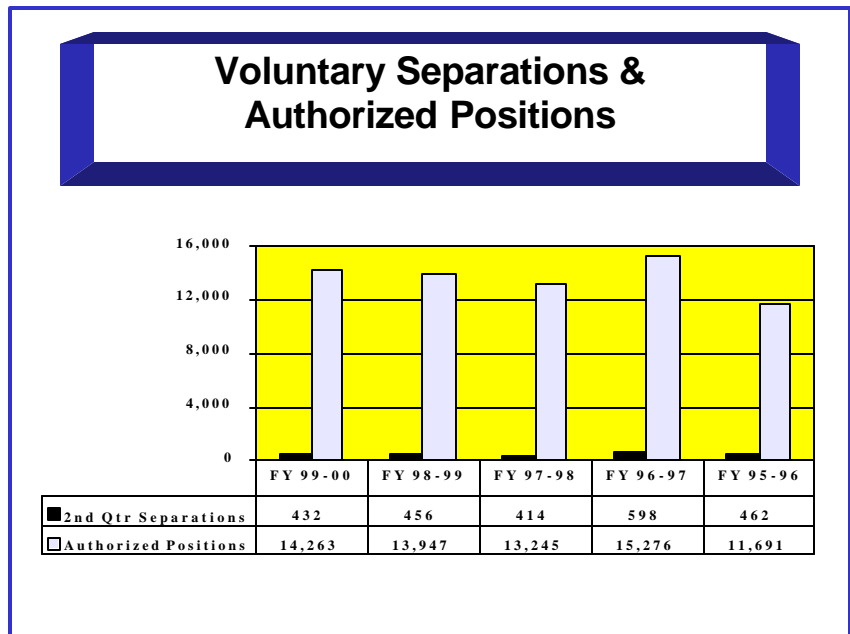
Major voluntary separation reasons for the 2<sup>nd</sup> quarter of FY 1999-00 are provided at right. 214 voluntary separation reasons which include "no reason given" and "personal reasons" dominate both voluntary and involuntary separation reasons.

### Major Voluntary Separations 2nd Quarter FY 1999-00



As mentioned previously, the County Exit Interview Program is designed, in part, to fill the gap in the personal reasons category. Next to personal reasons, 15% of employees leave for more responsible jobs and 12% for more pay. These indicators suggest market equity issues remain outstanding, which the County is currently addressing.

The chart at right shows the voluntary separations during the 2<sup>nd</sup> quarter of the last five years. Also shown are the total numbers of positions authorized. Fluctuations in separations alone are meaningless without a comparison to total authorized positions. For example, FY 95-96 shows 462 voluntary separations on a base of 11,691 authorized positions or a 40% separation rate. FY 98-99 shows 456 voluntary separations on a base of 13,947 authorized positions or a 33% separation rate. FY 98-99 separations are 7% lower than those in FY 95-96.



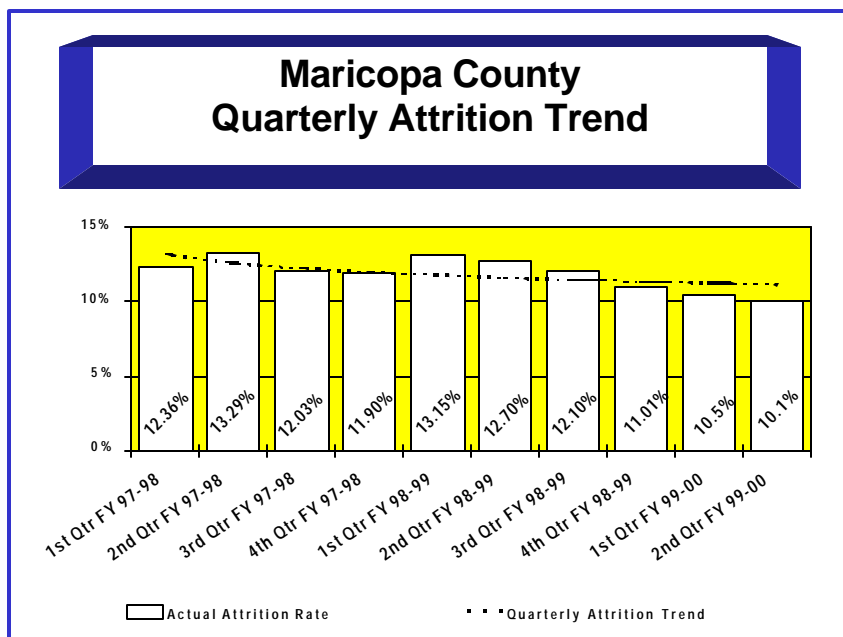
Listed below are those departments with the largest number of total separations. Total separations are also compared to total authorized positions.

YTD FY 1999-00 2nd Quarter Major Separations By Department & Category				
Department	Voluntary	Involuntary	Total	% Total Separations of Those Authorized
Maricopa Health System	235	64	299	13.5%
Sheriff's Office	157	15	172	7.9%
Superior Court	57	15	72	8.0%
County Attorney	55	5	60	7.1%
Clerk of Superior Court	36	12	48	8.0%
Maricopa Health Plan	38	5	43	11.8%
Juvenile Court	29	4	33	4.3%
Public Health	28	2	30	6.2%
Transportation	17	11	28	5.5%
Adult Probation	24	3	27	2.5%

Data collection and analysis is critical when examining voluntary and involuntary separations. Emphasizing employee value, combined with creative compensation programs, ongoing training and education offerings and an emphasis on employee personal improvement are contributing factors towards lowering separation rates.

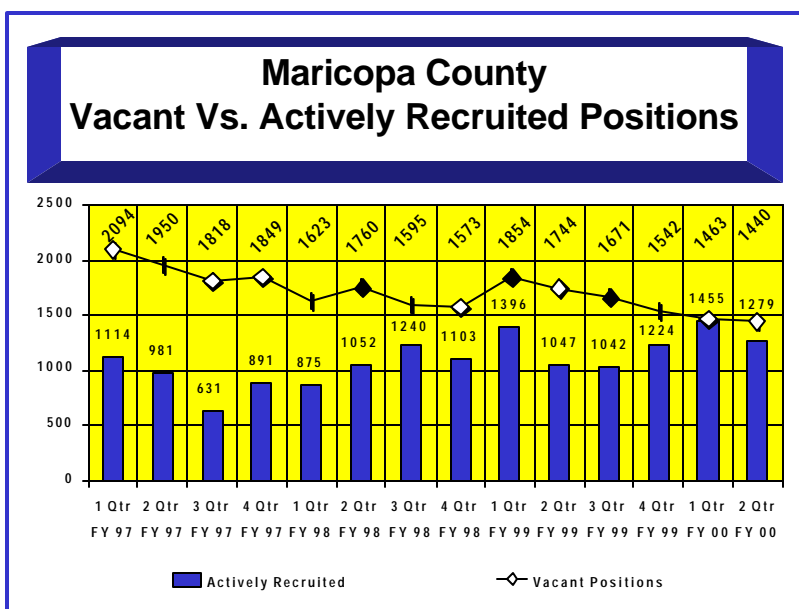
# recruitment strategies

Maricopa County's continued economic expansion adversely affects the County's ability to recruit and maintain a high level of staffing. To meet this challenge, recruiting strategies must be proactive and diversified, place a high value on employees, and sustain the ability to respond to an ever-changing work environment. The County remains steadfast in its resolve to ensure competitive and equitable compensation along with personal and career growth opportunities for all of its employees.

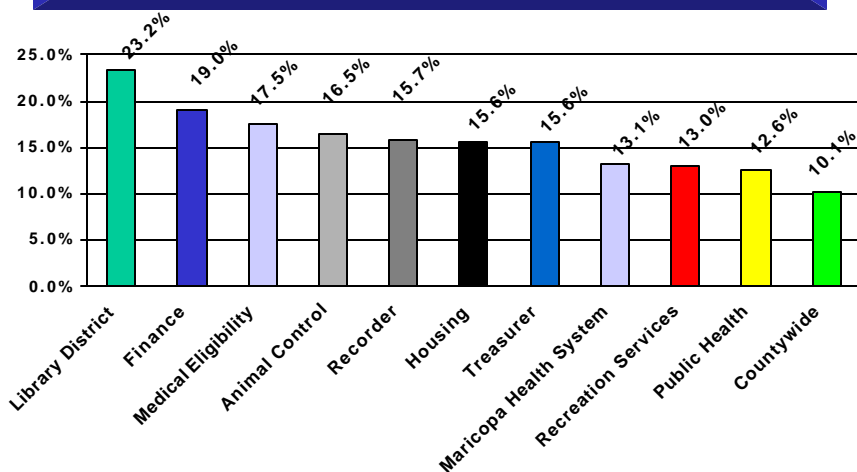


Maricopa County's attrition reduction over the past several years shows a strong commitment to employee satisfaction and success, as demonstrated at left.

The increase in actively recruited positions coincides with the decrease in vacant positions. This supports the premise that increasing recruitment activity increases the likelihood of those positions being filled. The chart at right compares vacant positions to those actively recruited quarterly for the last four fiscal years. As of December 31, 1999, 1,440 positions remained vacant, of which 1,279 or 88.9% were actively recruited.



### Maricopa County Departments Highest 2nd Quarter Attrition



The local economic climate creates an "employee advantage" as applied to recruitment and retention strategies. Shortages of skilled workers put employees in the drivers' seat, thus employers are at a disadvantage in their ability to recruit and retain staff.

The departments shown at left have the highest attrition rates Countywide. One of the main concerns of management is the ability to offer competitive

compensation and other employee programs in order to offset the intensely competitive job market.

The departments shown on the chart at right actively recruited less than 50% of their *vacant positions* during the 2<sup>nd</sup> quarter of FY 1999-00.

Active recruitment of vacant positions has contributed to the reduction in the rate of attrition Countywide. The decline of attrition rates over time are as follows:

FY 1995-96 – 19.1%;

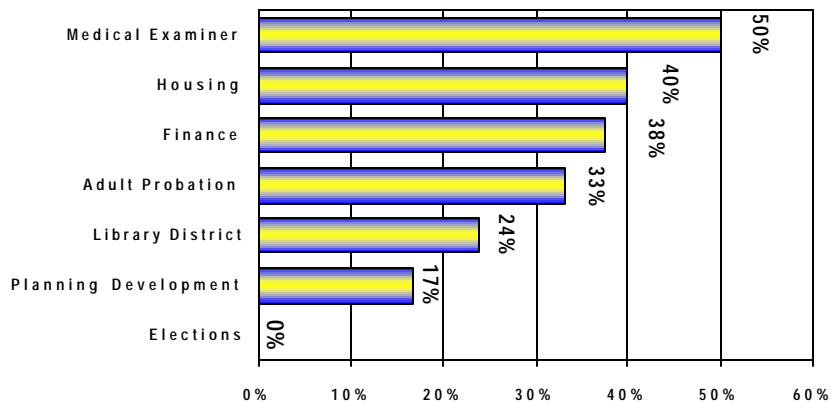
FY 1996-97 – 14.3%;

FY 1997-98 – 12.4%;

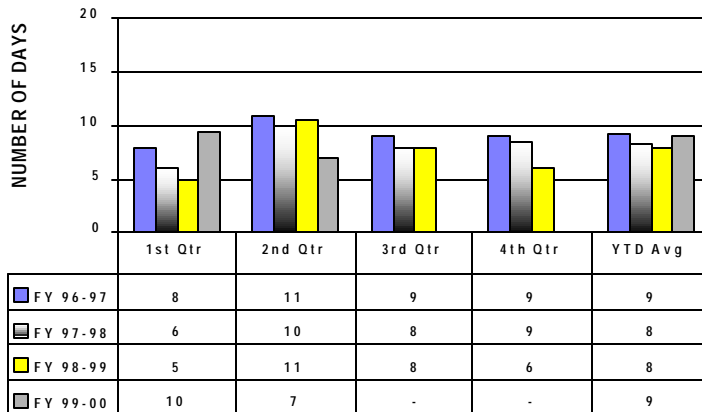
FY 1998-99 – 12.2%;

FY 1999-00 – 10.3% year-to-date. Maricopa County's competitive recruitment strategies have shown to be effective over time, as seen through the lowering of attrition rates.

### 2nd Quarter FY 1999-00 % of Vacancies Actively Recruited



### Maricopa County Recruitment Certification



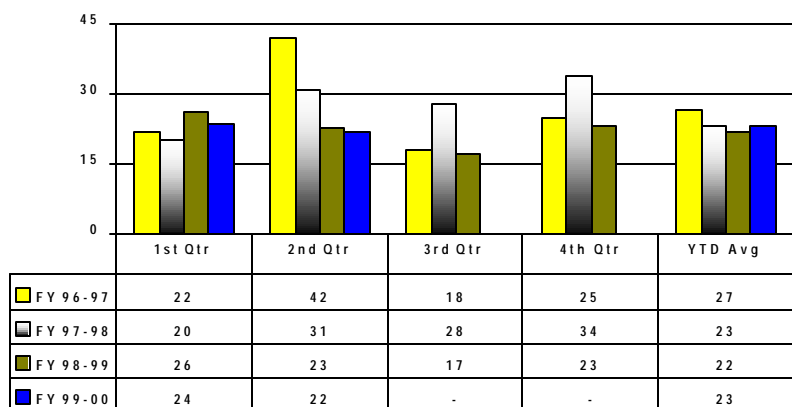
Another measure used to determine the success of recruitment processes for regular and unclassified positions is the number of days it takes to certify and fill vacant positions.

The chart at left provides recruitment process statistics for regular and unclassified positions. Certification refers to the process of providing the hiring authority with a list of eligible candidates. The *average* number of days to provide current certification lists

is seeing its first increase in four years. One possible cause for this increase is the major push towards market equity in departments Countywide. Changes required to analyze and implement the attributes of various positions and market pay ranges take time and have an impact on the number of days it takes to provide an eligible candidate listing.

Average days to fill vacant positions refer to the number of days from receipt of the personnel requisition to the effective date of appointment for the selected candidate. There is a reduction in the *average* number of days to fill vacant positions as shown on the chart at right.

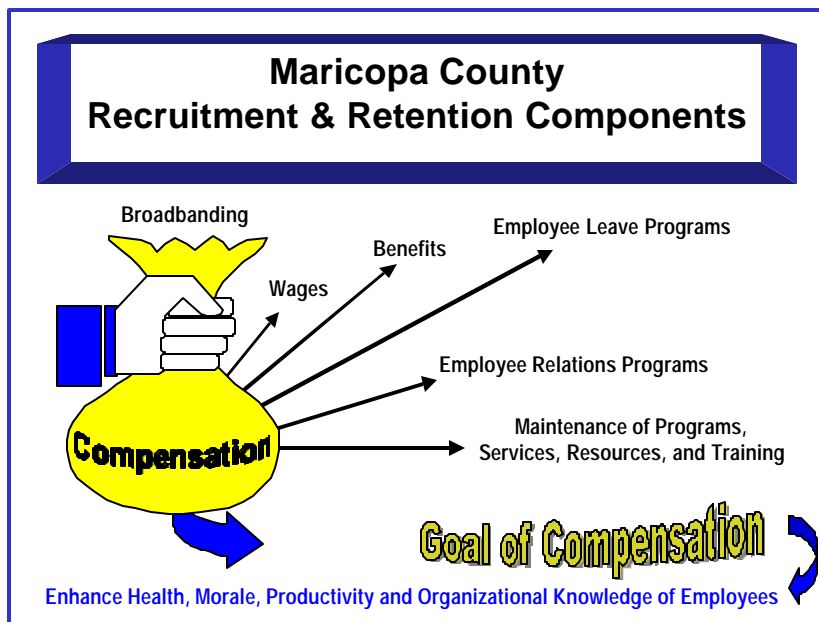
### Maricopa County Recruitment Average Days To Fill Vacant Positions



As we enter the 21<sup>st</sup> Century, Maricopa County's success depends upon acquiring and retaining diversified, productive, customer focused employees while achieving a high level of employee satisfaction. By looking objectively at today's culture, and introducing creative employment solutions with innovations that support successful recruitment processes, Maricopa County positions itself to promote a climate where employees are provided personal and career growth opportunities. Successful employment staffing involves hiring the right people with minimal lead-time, and involves the entire organization. Maricopa County strives to be on the cutting edge of employment practices.

# innovations & competition

Maricopa County is committed to provide competitive compensation, creative recruitment and diversified retention strategies beyond the current year 2000 in order to recruit and retain top quality, highly productive and personally satisfied employees. Many innovations are being established in order to focus upon increasing the quality of life for its employees.



Highly competitive, cutting-edge personnel practices ensure an innovative and competitive spirit amongst its workforce. The components that make up Maricopa County's current recruitment and retention innovations are provided on the chart at left. The compensation Broadbanding program has had the most effect upon stemming the tide of employees leaving the County. Other programs which have positive effects upon attraction and retention of highly qualified, customer oriented employees are shown at left.

Maricopa County's increasing organizational demands combined with the local economic boom has created a highly competitive employment market that is already in short supply. Retaining diversified, productive, customer focused employees demands cutting edge innovations and forward-thinking employee practices. Achieving a high level of employee satisfaction requires management to provide a quality work environment. Meeting these goals means looking objectively at today's culture, and introducing creative employment solutions. By continuing to implement creative recruitment strategies and employee oriented compensation plans, the County will be on par with the best employers in attracting and retaining quality staff in support of Maricopa County's strategic goals.